



NACL Industries Limited

Ref: NACL/SE/2024-25

August 14, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001

Company Code: 524709

National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor,
Plot No.C/1 G Block, Bandra- Kurla
Complex, Bandra, Mumbai – 400051

Symbol: NACLIND

Dear Sir/Madam,

Sub: Outcome of the Board of Director's Meeting.

Ref: Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- reg.

We wish to inform you that, the Board of Directors in its meeting held today i.e., on Wednesday, August 14, 2024, has inter-alia approved:

- Un-audited Standalone and Consolidated Financial Results for the first quarter ended June 30, 2024. The Un-audited Standalone and Consolidated Financial Results in forms prescribed under aforesaid Regulation along with Auditor's Limited Review Report with Unmodified Opinion issued by M/s. B S R and Co., Chartered Accountants, Statutory Auditors, are enclosed herewith as **Annexure-1**;
- Convening 37th Annual General Meeting (AGM) of the Company on Wednesday, September 25, 2024; and
- Re-appointment of M/s. BSS & Associates, Practising Company Secretaries as Secretarial Auditors for the financial year 2024-25. The details as per Regulation 30 of the SEBI LODR read with SEBI Circular No. SEBI/HO/CFD/POD2/CIR/P/2023/120 dated July 11, 2023 (Master Circular) and SEBI/HO/CFD/CFD-POD-1/P/CIR/2023/123 dated July 13, 2023 is enclosed herewith as **Annexure-2**.

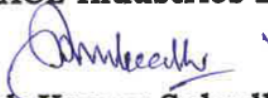


The meeting commenced at 4.00 p.m. and concluded at 07.30 p.m.

You are requested to take the same on records.

Thanking you

for **NACL Industries Limited**



Satish Kumar Subudhi

Vice President-Legal & Company Secretary



Encl.: As above.

Limited Review Report on unaudited consolidated financial results of NACL Industries Limited for the quarter ended 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of NACL Industries Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of NACL Industries Limited (hereinafter referred to as “the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) and its share of the net loss after tax and total comprehensive loss of its associate for the quarter ended 30 June 2024 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

S.No	Name of the component	Country	Relationship
1	NACL Spec-Chem Limited	India	Subsidiary
2	NACL Multichem Private Limited	India	Subsidiary
3	LR Research Laboratories Private Limited	India	Subsidiary
4	Nagarjuna Agrichem (Australia) Pty Limited	Australia	Subsidiary
5	NACL Industries (Nigeria) Limited	Nigeria	Subsidiary
6	NACL Agri-Solutions Private Limited	India	Subsidiary

Principal Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East), Mumbai - 400063

Limited Review Report (Continued)

NACL Industries Limited

7	Nasense Labs Private Limited	India	Associate
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5. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. The Group carried trade receivables aggregating to INR 7,796 lakhs as at 31 March 2024 (netted off with subsequent collections up to the date of the auditor's report for the year ended 31 March 2024), for which we had received unreliable responses to our independent balance confirmation requests, for the audit of the financial statements for the year ended 31 March 2024, from some of these customers.

We draw attention to note 7 to the consolidated financial results for the quarter ended 30 June 2024, which describes the details of subsequent actions taken by the management. The management has estimated the resultant net exposure as INR 1,978 lakhs. This exposure is fully provided for in the Group's books of account as of 30 June 2024.

Our conclusion is not modified in respect of this matter.

8. We did not review the interim financial results of one subsidiary included in the Statement, whose interim financial results reflects total revenue (before consolidation adjustments) of INR 4,349 lakhs and total net loss after tax (before consolidation adjustments) of INR 118 lakhs and total comprehensive loss (before consolidation adjustments) of INR 118 lakhs for the quarter ended 30 June 2024, as considered in the Statement. These interim financial results have been reviewed by other auditors whose report has been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

9. The Statement includes the interim financial information of five subsidiaries which have not been reviewed, whose interim financial information reflects total revenues (before consolidation adjustments) of INR 3 lakhs, total net loss after tax (before consolidation adjustments) of INR 21 lakhs and total comprehensive loss (before consolidation adjustments) of INR 21 lakhs, for the quarter ended 30 June 2024, as considered in the Statement. The Statement also includes the Group's share of net loss after tax (before consolidation adjustments) of Rs. 65 lakhs and total comprehensive loss (before consolidation adjustments) of Rs. 65 lakhs, for the quarter ended 30 June 2024 as considered in the Statement, in respect of an associate, based on its interim financial information which has not been reviewed. According to the information and explanations given to us by the Parent's management, this interim financial information is not material to the Group.

B S R and Co

Limited Review Report (Continued)

NACL Industries Limited

Our conclusion is not modified in respect of this matter.

For **B S R and Co**

Chartered Accountants

Firm's Registration No.:128510W

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by BABY PAUL
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Baby Paul

Partner

Thiruvananthapuram

14 August 2024

Membership No.: 218255

UDIN:24218255BKFWHJ2640

Limited Review Report on unaudited standalone financial results of NACL Industries Limited for the quarter ended 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of NACL Industries Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of NACL Industries Limited (hereinafter referred to as “the Company”) for the quarter ended 30 June 2024 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The Company carried trade receivables aggregating to INR 7,796 lakhs as at 31 March 2024 (netted off with subsequent collections up to the date of the auditor’s report for the year ended 31 March 2024), for which we had received unreliable responses to our independent balance confirmation requests, for the audit of the financial statements for the year ended 31 March 2024, from some of these customers.

We draw attention to note 7 to the standalone financial results for the quarter ended 30 June 2024, which describes the details of subsequent actions taken by the management in this regard. The management has estimated the resultant net exposure as INR 1,978 lakhs. This exposure is fully provided for in the Company’s books of account as of 30 June 2024.

B S R and Co

Limited Review Report (Continued)

NACL Industries Limited

Our conclusion is not modified in respect of this matter.

For **B S R and Co**

Chartered Accountants

Firm's Registration No.:128510W

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by BABY PAUL
Date: 2024.08.14
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Baby Paul

Partner

Thiruvananthapuram

14 August 2024

Membership No.: 218255

UDIN:24218255BKFWHK6916

NACL Industries Limited

Regd Office: Plot No. 12-A, 'C' Block, Lakshmi Towers, No.8-2-248/1/778, Nagarjuna Hills, Punjagutta, Hyderabad 500 082, Telangana, India
Phone:040-24405100, Fax:040-23358062, E-mail:info@naclind.com,Website:www.naclind.com
CIN:L24219TG1986PLC016607

Statement of Standalone and Consolidated Financial Results for the Quarter ended June 30, 2024

(₹ in Lakhs)

Sl. No	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		30.06.2024	31.3.2024	30.06.2023	31.03.2024	30.06.2024	31.3.2024	30.06.2023	31.03.2024
		(Unaudited)	(Audited) (Refer note 8)	(Unaudited)	(Audited)	(Unaudited)	(Audited) (Refer note 8)	(Unaudited)	(Audited)
1	Revenue from operations	33,382	45,430	38,601	1,78,084	32,501	45,716	37,591	1,77,873
2	Other income	387	415	415	990	274	355	413	856
3	Total Income (1+2)	33,769	45,845	39,016	1,79,074	32,775	46,071	38,004	1,78,729
4	Expenses								
	(a) Cost of materials consumed	26,543	28,504	40,121	1,27,181	24,578	27,941	38,380	1,23,490
	(b) Purchases of stock-in-trade	2,442	1,695	2,812	10,026	2,442	1,695	2,812	10,026
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,870)	5,358	(9,449)	5,004	(2,888)	5,267	(9,774)	4,919
	(d) Employee benefits expense	3,209	3,003	3,053	12,596	3,395	3,210	3,253	13,437
	(e) Finance costs	1,485	1,421	1,475	6,010	1,847	1,893	1,825	7,572
	(f) Depreciation and amortisation expense	474	472	438	1,835	707	700	651	2,724
	(g) Other expenses	4,914	6,140	5,429	22,635	5,341	6,517	5,903	24,299
	Total Expenses	36,197	46,593	43,879	1,85,287	35,422	47,223	43,050	1,86,467
5	Loss before share of profit/(loss) of associate (3-4)	(2,428)	(748)	(4,863)	(6,213)	(2,647)	(1,152)	(5,046)	(7,738)
6	Share of profit/(loss) from associate					(65)	35	(5)	108
7	Loss before tax (5+6)	(2,428)	(748)	(4,863)	(6,213)	(2,712)	(1,117)	(5,051)	(7,630)
8	Tax expense:								
	(a) Current tax	-	-	-	-	-	-	-	-
	(b) Deferred tax	(601)	(177)	(1,203)	(1,517)	(632)	(216)	(1,245)	(1,741)
	Tax Expense	(601)	(177)	(1,203)	(1,517)	(632)	(216)	(1,245)	(1,741)
9	Loss for the period / year (7-8)	(1,827)	(571)	(3,660)	(4,696)	(2,080)	(901)	(3,806)	(5,889)
10	Other Comprehensive loss								
	Items that will not be reclassified subsequently to statement of profit or loss								
	Re-measurement of the defined benefit obligation	(26)	(82)	(24)	(139)	(26)	(82)	(24)	(136)
	Income tax expense on the above	7	21	6	35	7	21	6	35
	Items that will be reclassified subsequently to statement of profit or loss								
	Effective portion of gain/ (loss) on designated portion of hedging instrument in a cash flow hedge	(21)	(2)	(1)	(9)	(21)	(2)	(1)	(9)
	Income tax expense on the above	5	*	-	2	5	*	-	2
	Total Other Comprehensive loss, net of tax	(35)	(63)	(19)	(111)	(35)	(63)	(19)	(108)
11	Total Comprehensive income/ (loss) (9+10)	(1,862)	(634)	(3,679)	(4,807)	(2,115)	(964)	(3,825)	(5,997)
12	Paid-up equity share capital (Face value of ₹ 1 per equity share)	1,994	1,992	1,988	1,992	1,994	1,992	1,988	1,992
13	Other Equity				50,655				49,118
14	Earnings Per Share (for the period, not annualised)								
	(a) Basic (in ₹)	(0.92)	(0.29)	(1.84)	(2.36)	(1.04)	(0.45)	(1.91)	(2.96)
	(b) Diluted (in ₹)	(0.92)	(0.29)	(1.83)	(2.36)	(1.04)	(0.45)	(1.91)	(2.95)

Amounts less than ₹ lakh have been reflected as "**"

Note: Refer the accompanying notes to these financial results



Notes :

- 1 The above Standalone and Consolidated Financial results were reviewed and recommended by the Audit Committee in their meeting held on August 14, 2024 and approved by the Board of Directors in their meeting held on August 14, 2024. The Statutory Auditors have issued a unmodified conclusion on financial results for the quarter ended June 30, 2024.
- 2 The Standalone and Consolidated Financial results of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- 3 The Company/ Group is primarily engaged in the Farm Inputs Business, which in the context of Ind AS 108 "Operating Segments" is considered the only significant business segment.
- 4 The Company's/ Group's business is seasonal in nature and the performance can be impacted by weather conditions.
- 5 The Consolidated Financial Results include the results of the following:
 - i) Parent:
 - a) NACL Industries Limited, India
 - ii) Wholly Owned Subsidiaries:
 - a) LR Research Laboratories Private Limited, India
 - b) Nagarjuna Agrichem (Australia) Pty Limited, Australia
 - c) NACL Spec-Chem Limited, India
 - d) NACL Multichem Private Limited, India
 - e) NACL Industries (Nigeria) Limited, Nigeria
 - f) NACL Agri-Solutions Private Limited
 - iii) Associate:
 - a) Nasense Labs Private Limited, India
- 6 During the quarter ended June 30, 2024, 214,999 number of employee stock options were exercised and allotted.
- 7 The Company/ Group carried trade receivables aggregating to ₹ 7,796 lakhs as at March 31, 2024 (netted off with subsequent collections up to the date of the auditor's report for the year ended March 31, 2024), for which the auditors of the Company/Group had received unreliable responses to their independent balance confirmation requests, for audit of the financial statements for the year ended March 31, 2024, from some of these customers.

Subsequently, the management has instituted an independent investigation into the matter and has also undertaken steps including but not limited to conducting internal investigation, terminating the Company/ Group's employee allegedly involved in the matter and carrying out balance confirmation and reconciliation procedures with the customers. The management has assessed the resultant impact on the financial results of the Company/ Group on its best estimate. Basis the same, the net exposure is estimated as ₹ 1,978 lakhs. This exposure is fully provided for in the Company/ Group's books of account as of June 30, 2024 (which includes the provision for expected credit loss of ₹ 1,880 lakhs that was recognized during the quarter ended March 31, 2024).

The Company/ Group also has received a legal opinion clarifying that the concerned dealer-customers' claim is not legally tenable, and the Company/ Group is well within its rights to proceed with legal action to claim its entitlement.
- 8 The figures for the quarter ended March 31, 2024 are the balancing figures between the audited figures in respect of the full previous financial year ended March 31, 2024 and published year to date figures up to the third quarter of the previous financial year. The figures upto the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Place : Hyderabad
Date : August 14, 2024




Santanu Mukherjee
Director

Annexure-2

Details required under Regulation 30 of the SEBI LODR read with SEBI Circular No. SEBI/HO/CFD/POD2/CIR/P/2023/120 dated July 11, 2023 (Master Circular) and SEBI/HO/CFD/CFD-POD-1/P/CIR/2023/123 dated July 13, 2023:

Sl. No.	Particulars	Description
1)	Reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise	Re-appointment of M/s BSS & Associates, Practising Company Secretaries, as a Secretarial Auditor of the Company as per the provisions of section 204 of the Companies Act, 2013 and rules made thereunder.
2)	Date of appointment/re-appointment cessation (as applicable) & term of appointment	Date of Re-appointment – 14 th August, 2024. For conducting Secretarial Audit for the financial year 2024-25.
3)	Brief profile (in case of appointment)	Mr. S.Srikanth, partner of M/s. BSS & Associates Practising Company Secretaries based at Hyderabad, is a Associate member (ACS- 22119; COP No. 7999) of the Institute of Company Secretaries of India with rich experience in Corporate laws, SEBI, FEMA/RBI etc.
4)	Disclosure of relationships between directors (in case of appointment of a director)	Not Applicable.

